

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

GENERAL ADJUSTMENT OF ELECTRIC)	
RATES OF KENTUCKY UTILITIES)	CASE NO. 5915
COMPANY)	

ORDER APPROVING REFUND PLAN

On August 5, 1981, Kentucky Utilities Company ("K.U.") submitted a plan for refunding \$7.1 million to customers of its system for the period May 15, 1974 to June 22, 1975. This plan was submitted pursuant to a settlement agreement negotiated between this Commission, K.U., and the Attorney General on August 4, 1981. 1/ By the terms of this settlement agreement, the Commission's order of July 10, 1981 (which was subsequently appealed to the Franklin Circuit Court) was superseded and rendered void by our Order of July 29, 1981. By the terms of the settlement, the Commission's July 29, 1981 Order was withdrawn and K.U. agreed to file the refund plan now under consideration.

The Commission has reviewed K.U.'s refund plan and finds that the terms contained therein comport fully with the terms of the negotiated settlement of August 4, 1981. The salient features of the plan provide that K.U. will refund \$7.1

1/ The text of the settlement agreement was attached as an appendix to our Order of August 5, 1981.

million dollars to the customers on its system for the period May 15, 1974 to June 22, 1975, and an additional 6% interest shall be added to this principal amount for the period May 15, 1974 to June 18, 1981. Additional interest may be payable to K.U.'s customers depending upon the resolution by the courts of this Commonwealth of a further legal question involving the appropriate time period for computing the interest. The courts will also be called upon to resolve the remaining question of whether the refund amounts for those customers the Company cannot locate or account for shall escheat to the Commonwealth or be available for a credit on future bills of K.U.'s existing customers. K.U. estimates the cost of making this refund to be \$96,000.

Based upon the above-stated findings, the Public Service Commission HEREBY ORDERS that the refund plan filed by Kentucky Utilities Company on August 5, 1981, is fair, just and reasonable and is hereby approved.

The Commission FURTHER ORDERS that within ninety (90) days from the completion of the refund herein approved, K.U. shall file with this Commission a letter indicating the number of customers it was unable to locate or otherwise account for, and the total amount of money it was, thus, unable to refund.

Done at Frankfort, Kentucky this 7th day of August, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Tohy
Chairman

Did not participate
Vice Chairman

Art Flanagan
Commissioner

ATTEST:

Secretary